

1 David J. Pasternak, CSBN 72201
Receiver
2 1875 Century Park East, Suite 2200
Los Angeles, California 90067-2523
3 Telephone: 310.553.1500
Facsimile: 310.553.1540
4 E-Mail: djp@paslaw.com

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7 UNITED STATES DISTRICT COURT
8 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION
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10
11 PERFECT 10, INC., a
California corporation,

12 Plaintiff,

13 vs.

14 GIGANEWS, INC., a Texas
15 Corporation, et al.,

16 Defendants.

17 AND RELATED CROSS-ACTIONS
18

Case No. 2-11-cv-07098-AB
(JPRx)

Hon. Andre Birotte, Jr.

NOTICE OF HEARING OF MOTION
AND RECEIVER'S MOTION FOR
ISSUANCE OF ORDER APPROVING
AND CONFIRMING SALE OF
INTELLECTUAL PROPERTY;
DECLARATION OF DAVID J.
PASTERNAK; MEMORANDUM OF
POINTS AND AUTHORITIES

DATE: MARCH 1, 2019
TIME: 10:00 A.M.
COURTROOM: 7B

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21 Pursuant to Local Rule 66-6.1 and 66-7(b), Receiver
22 David J. Pasternak submits the following Motion For
23 Issuance of Order approving and confirming the sale of
24 the Receivership's intellectual property for hearing in
25 Courtroom 7B at 350 West 1st Street, Los Angeles, CA
26 90012-4565 on Friday, March 1, 2019 at 10:00 a.m.

27 This Motion is made on the grounds that:

28 1. On February 24, 2017, David J. Pasternak was

1 appointed as Receiver in this matter to take sole and
2 immediate custody, possession and control of all of the
3 intellectual property of Perfect 10, Inc. ("Perfect
4 10"), including but not limited to its domain names,
5 copyrights, copyright interests, trademarks, trademark
6 interests, and associated goodwill, and related
7 interests ("the Property");

8 2. The Receiver was directed by this Court to sell
9 the Property in order to satisfy this Court's Judgment;

10 3. After marketing the Property, the Receiver has
11 negotiated a proposed contract for the sale of the
12 Property to Defendant Giganews, Inc.; and

13 4. The proposed sale contract represents the fair
14 market value of the Property and accomplishes the
15 purposes for which the Receiver was appointed.

16 This Motion is based on this Notice of Motion and
17 Motion, the attached Declaration of David J. Pasternak
18 and all attached exhibits, the attached Memorandum of
19 Points and Authorities, all pleadings and other
20 documents in the Court's file for this matter, and all
21 other oral and written evidence received by the Court in
22 connection with the hearing of the Receiver's Motion.

23

24 DATED: January 29, 2019



David J. Pasternak
Receiver

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***DECLARATION
OF
DAVID J. PASTERNAK***

DECLARATION OF DAVID J. PASTERNAK

I, David J. Pasternak, declare as follows:

1. I have personal knowledge of the facts set forth herein, and if called upon as a witness to testify thereto, I could and would competently and truthfully do so.

2. On February 24, 2017, this Court issued an Order Granting Judgment Creditor Giganews, Inc.'s Motion To Levy On Judgment Debtor's Intellectual Property And Appoint A Receiver (the "Receivership Order"), a true and correct copy of which is attached as **Exhibit 1**, appointing me as Receiver to take sole and immediate custody, possession and control of all of the intellectual property of Perfect 10, Inc. ("Perfect 10"), including but not limited to its domain names, copyrights, copyright interests, trademarks, trademark interests, and associated goodwill, and related interests ("the Property"). The Property pertains to thousands of adult images of nude and semi-nude women.

3. I began serving as this Court's Receiver immediately after learning about the issuance of the Receivership Order, and shortly thereafter, pursuant to this Court's authorization, I retained SoCal IP Law Group LLP ("SoCal") as my intellectual property attorneys pursuant to a Legal Services Agreement previously filed with this Court.

4. With SoCal's assistance and the cooperation of Perfect 10 and its principal, Norman Zada, I believe

1 that I have taken custody, possession and control of all
2 of the Property. SoCal has coordinated the filing of
3 all necessary notices and registrations in order to
4 transfer the Property to me as this Court's Receiver,
5 and the filing of all updates necessary to keep the
6 registrations current.

7 5. On April 4, 2017, I filed and served a summary
8 Inventory identifying the property and documents in my
9 possession. As previously reported, my office has
10 prepared a detailed listing of the Property which is
11 hundreds of pages long, and consequently has not been
12 filed with this Court because of its volume.

13 6. Also as previously reported, I have a self-
14 storage unit for most of the Property, but also have
15 entered into an Agreement with PacificTitle Archives, a
16 copy of which has previously been filed with this Court,
17 for the storage of film stock which requires special
18 handling and maintenance.

19 7. During 2017, I attempted to find someone
20 interested in purchasing the Property. There obviously
21 is a very limited market for the Property, and
22 traditional advertising and sales promotions efforts are
23 not practical methods of selling such Property. Among
24 other things, I communicated with Norman Zada and
25 various attorneys representing companies engaged in
26 similar adult image businesses. I was unable to locate
27 anyone who would make any purchase offer except Mr. Zada
28 and Defendant Giganews, Inc. ("Giganews"). Among other

1 problems, I was informed that the Property does not
2 include required signed forms from all of the
3 photographed individuals attesting that they were in
4 fact adults when the photographs were taken. In
5 addition, Mr. Zada has informed me that Perfect 10
6 allegedly had unspecified oral agreements with some of
7 those individuals that it would not take advantage of
8 their broad assignments of rights to harm those
9 individuals in any way, such as using their name or
10 likeness to promote escort services, masturbation
11 devices, or adult movies with explicit sex scenes. I
12 also was informed that some of the images are "dated".

13 8. After communicating with potential purchasers
14 of the Property, I negotiated with Giganews and Mr. Zada
15 for the sale of all of the Property. After Giganews
16 made the highest purchase offer, I negotiated the terms
17 of the sale contract with Giganews' counsel. Those
18 negotiations concluded in late 2018 in a Bill of Sale
19 And Assignment of Receivership Property ("Sale
20 Contract"), a true and correct copy of which signed by
21 Giganews is attached as **Exhibit 2**. The referenced
22 Exhibits to the Sale Contract are omitted because of the
23 volume of that material (they total hundreds of pages).
24 However, I am electronically providing a copy of those
25 Exhibits to Mr. Zada at the same time as the filing of
26 this Motion, and will similarly electronically provide
27 copies of those materials to anyone who requests them
28 from me. The Sale Contract generally provides:

- 1 • The purchase price is \$500,000, which includes
- 2 \$25,000 cash, \$150,000 for the value of the
- 3 loans that Giganews has made to date for the
- 4 operation of this Receivership, and a credit of
- 5 an additional \$325,000 against Giganews'
- 6 judgment against Perfect 10;
- 7 • The sale is without any representations or
- 8 warranties;
- 9 • The sale is subject to the issuance of an Order
- 10 by this Court approving and confirming the
- 11 sale;
- 12 • The sale is subject to potential overbidding,
- 13 with a minimum overbid of \$550,000; and
- 14 • The buyer is to take possession of all tangible
- 15 Receivership property within 14 and 30 days
- 16 after the Court approves and confirms the sale
- 17 (payment of the full purchase price is required
- 18 before possession of the Property is
- 19 transferred to the buyer).

20 9. Through its loans to this Receivership,
21 Giganews has effectively made a \$150,000 purchase
22 deposit. Giganews also has advanced the required
23 \$25,000 cash payment to me. Consequently, I suggest
24 that any over bidder be required to give me the same
25 total \$175,000 amount as a purchase deposit in the form
26 of a cashiers or certified check before being permitted
27 to overbid, and that the deposit is forfeited if a
28 successful over bidder fails to close the transaction

1 timely. I also suggest that if there is an overbid, any
2 subsequent overbids must increase the purchase price by
3 at least another \$50,000. If there is an over bidder, I
4 will give any other buyers the opportunity to remain in
5 a back up position in the event that the high bidder
6 fails to close the transaction timely.

7 10. I believe that this sale represents the fair
8 market value of the Property, and is in the best
9 interests of this Receivership Estate.

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11 I declare under penalty of perjury under the laws of
12 the United States of America that the foregoing is true
13 and correct and that this Declaration was executed on
14 January 29, 2019, at Los Angeles, California.

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17 David J. Pasternak
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***MEMORANDUM
OF
POINTS & AUTHORITIES***

MEMORANDUM OF POINTS AND AUTHORITIES

"The power of a district court to impose a receivership or grant other forms of ancillary relief ... derives from the inherent power of a court of equity to fashion effective relief." *SEC v. Wencke*, 622 F.2d 1363, 1369 (9th Cir.1980). "[A] primary purpose of equity receiverships is to promote orderly and efficient administration of the estate by the district court for the benefit of creditors." *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir.1986). To that end, "[a] district court's power to supervise an equity receivership and to determine the appropriate action to be taken in the administration of the receivership is extremely broad." *SEC v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th Cir.2005) (internal quotation marks and citation omitted). "The basis for this broad deference to the district court's supervisory role in equity receiverships arises out of the fact that most receiverships involve multiple parties and complex transactions." *Hardy*, 803 F.2d at 1037.

28 U.S.C. §2004 specifies that "[a]ny personalty sold under any order or decree of any court of the United States shall be sold in accordance with section 2001 of this title, unless the court orders otherwise." 28 U.S.C. §2001 lays out a sale procedure that includes appraisal and advertising in a public newspaper. However, where appropriate, a court may waive these requirements. *Tanzer v. Huffines*, C.A.3 (Del.) 1969,

1 412 F.2d 221, certiorari denied 90 S.Ct. 154, 396 U.S.
2 877, 24 L.Ed.2d 135. Here, where the Property to be
3 sold is extremely specialized, has an extremely limited
4 market and potential problems, and advertising is
5 expensive in Los Angeles metropolitan newspapers, it is
6 both appropriate and proper for this Court to waive
7 those general sale requirements.

8 Accordingly, the Receiver respectfully requests that
9 the Court approve and confirm the proposed sale of the
10 Property, subject to possible overbidding at the sale
11 hearing.

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13 DATED: January 29, 2019



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15 David J. Pasternak
16 Receiver
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Exhibit 1

FENWICK & WEST LLP
ATTORNEYS AT LAW
SAN FRANCISCO

1 ANDREW P. BRIDGES (CSB No. 122761)
2 abridges@fenwick.com
3 JEDEDIAH WAKEFIELD (CSB. No. 178058)
4 jwakefield@fenwick.com
5 JOSEPH S. BELICHICK (CSB No. 229371)
6 jbelichick@fenwick.com
7 TODD R. GREGORIAN (CSB No. 236096)
8 tgregorian@fenwick.com
9 FENWICK & WEST LLP
10 555 California Street, 12th Floor
11 San Francisco, CA 94104
12 Telephone: (415) 875-2300
13 Facsimile: (415) 281-1350

14 Attorneys for Defendant
15 GIGANEWS, INC.

16 RONALD P. SLATES, State Bar #43712
17 RONALD P. SLATES, P.C.
18 500 South Grand Ave., Suite 2010
19 Los Angeles, CA 90071
20 Telephone: (213) 624-1515

21 Attorneys for Defendant
22 LIVEWIRE SERVICES, INC.

23 UNITED STATES DISTRICT COURT
24 CENTRAL DISTRICT OF CALIFORNIA
25 WESTERN DIVISION

26 PERFECT 10, INC., a California
27 corporation,

28 Plaintiff,

v.

GIGANEWS, INC., a Texas
Corporation; et al.

Defendants.

Case No.: 11-cv-07098-AB (JPRx)

**[PROPOSED] ORDER GRANTING
JUDGMENT CREDITOR
GIGANEWS, INC.'S MOTION TO
LEVY ON JUDGMENT DEBTOR'S
INTELLECTUAL PROPERTY AND
APPOINT A RECEIVER**

Date: February 27, 2017

Time: 10:00 a.m.

Courtroom: No. 4, 2nd Fl. (Spring Street)

Judge: Hon. André Birotte, Jr.

AND RELATED CROSS-ACTIONS

[PROPOSED] ORDER GRANTING
GIGANEWS'S MOTION TO LEVY
AND TO APPOINT A RECEIVER

CASE NO. 11-cv-07098-AB (SHx)

1 The Court has considered defendant and judgment creditor Giganews, Inc.'s
2 ("Giganews") motion to levy on the intellectual property of plaintiff and judgment
3 debtor Perfect 10, Inc. ("Perfect 10"), and to appoint a receiver to carry out the
4 levy. (Dkt. No. 802.) Giganews moves under Fed. R. Civ. Proc. 69(a), and Cal.
5 Code Civ. Proc. §§ 695.010, 699.710, and 708.620., which together authorize the
6 district court to enforce a judgment through a writ of execution, and to appoint a
7 receiver to aid in executing the judgment. The Court finds good cause both to levy
8 on Perfect 10's intellectual property and to appoint a receiver to carry that out, for
9 all of the reasons Giganews stated in its motion. The Court considered all of the
10 points Perfect10 made in its opposition and finds that they lack merit. The Court
11 therefore **ORDERS** as follows:

12 1. The Court **GRANTS** Giganews's motion.

13 2. The Court **APPOINTS** David J. Pasternak as a receiver to carry out a
14 levy on Perfect 10's property in accordance with the remainder of this Order. For
15 the remainder of this order, the term "intellectual property" specifically includes but
16 is not limited to domain names, copyrights and copyright interests; and trademarks,
17 trademark interests, and associated goodwill; and related interests.

18 3. The receiver may seize and sell any and all intellectual property of
19 Perfect 10 in order to satisfy this Court's judgment.

20 4. By virtue of the appointment of the receiver, the Court divests Perfect
21 10 of, and puts under the exclusive control of the receiver, any and all of the
22 intangible property, including domain names; copyrights or copyright interests; and
23 trademarks, trademark interests, and associated goodwill that Perfect 10 owns or
24 possesses.

25 5. The receiver shall assume sole and immediate possession, custody and
26 control of all of Perfect 10's property and sell that property subject to this Court's
27 confirmation and approval in satisfaction of the Judgment.

1 6. The receiver shall have the authority to assign and transfer Perfect 10's
2 property, as further specified below.

3 7. The proceeds of any sales shall be used to satisfy the Judgment, less
4 the receivership's reasonable costs and fees;

5 8. Any bid for, and purchase of, Perfect 10's property by Giganews may
6 be credited against the amounts that Perfect 10 owes Giganews pursuant to the
7 Judgment. Giganews need not use its own money to bid for, and purchase, Perfect
8 10's property. Instead any successful bids and/or purchases may be credited against
9 Perfect 10's judgment debt to Giganews.

10 9. The receiver may charge as interim fees his standard hourly billing
11 rate, which is currently \$575 per hour, plus reimbursement of costs for the
12 receiver's services. The receiver is authorized to employ the services of Pasternak
13 & Pasternak, A Law Corporation (in which the receiver and his wife are
14 shareholders); SoCal IP Law Group, LLP; and accountants, computer consultants,
15 and other professionals in connection with his duties administering the receivership
16 estate and to pay for those services in the amount of the normal fees charged by
17 those professionals.

18 10. The receiver shall:

19 a. Take possession, custody and control of, and exclusively and in
20 his sole discretion, operate, manage, control, exploit, and operate Perfect 10's
21 property;

22 b. Collect all royalties, rents, issues, profits, and income resulting
23 from or generated by Perfect 10's property;

24 c. Care for, preserve, operate and maintain Perfect 10's property;

25 d. Use (at his discretion) any tax identification or Social Security
26 numbers previously used in connection with Perfect 10's property;

1 e. Enter into contracts as the receiver reasonably believes
2 necessary for the preservation of Perfect 10's property;

3 f. Institute and prosecute all suits as the receiver, upon obtaining
4 permission of the Court, he may reasonably believe to be necessary in connection
5 with Perfect 10's property, and may without further order of the Court defend all
6 suits and actions as may be instituted concerning Perfect 10's property;

7 g. Negotiate and make financial arrangements for any licenses or
8 permits that the receiver reasonably believes to be appropriate in connection with
9 Perfect 10's property;

10 h. Issue subpoenas, conduct and participate in discovery, take
11 depositions, pursue contempt actions, and otherwise pursue all remedies available
12 by law to ensure compliance with the receiver's authority under this Order;

13 i. Incur the expenses necessary for the care, preservation and
14 maintenance of Perfect 10's property; and

15 j. To the extent that there are funds available, pay such funds to
16 Giganews in satisfaction of this Court's Judgment.

17 11. Within sixty (60) days after the issuance of this Order, the receiver
18 shall file an inventory of all of the assets of which he has taken possession pursuant
19 to this Order;

20 12. The receiver shall prepare and serve monthly statements reflecting the
21 receiver's fees and administrative expenses, including fees and costs of the
22 accountants and attorneys and other professionals authorized by the Court, incurred
23 for each monthly period in the operation and administration of the receivership
24 estate. Upon service of each statement, the receiver may disburse from estate
25 funds, if any, the amount of each statement. Notwithstanding periodic payment of
26 fees and expenses, all fees and expenses shall be submitted to the Court for its
27 approval and confirmation, in the form of either a properly noticed interim request
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1 for fees, a stipulation of all parties, or in the receiver's interim or final account and
2 report;

3 13. The receiver may employ agents, employees, clerks, accountants, and
4 property managers to administer the receivership estate, purchase materials,
5 supplies and services, and pay for them at the ordinary and usual rates out of the
6 funds which shall come into the receiver's possession and shall do all things and
7 incur the risks and obligations ordinarily incurred by owners, managers, and
8 operators of similar property. No such risk or obligation so incurred shall be the
9 personal risk or obligation of the receiver, but shall be the risk and obligation of the
10 receivership estate;

11 14. The receiver is empowered to establish bank accounts for the deposit
12 of monies and funds collected and received in connection with the receivership
13 estate, at federally insured banking institutions or savings associations which are
14 not parties to this case. Monies coming into the possession of the receiver and not
15 expended for any purposes authorized by this Order shall be held by the receiver in
16 interest-bearing accounts;

17 15. The receiver may issue Receivership Certificates in increments of at
18 least \$10,000 bearing interest at eight percent (8%) per annum for up to \$250,000 to
19 any person or parties, in order to fund and carry out the receivership. All funds
20 loaned to the receiver pursuant to such Receivership Certificate shall be deemed to
21 be a lien of first priority which shall be repaid prior to all other encumbrances and
22 claims, other than costs of administration.

23 16. The receiver and the parties to this case may at any time apply to this
24 Court for further or other instructions or orders and for further powers necessary to
25 enable the receiver to perform the receiver's duties properly;

26 17. All monies coming into the receiver's possession shall be expended
27 only for the purposes herein authorized, unless otherwise ordered by Court;

1 18. The receiver shall determine upon taking possession of the property
2 whether in the receiver's judgment there is sufficient insurance coverage. With
3 respect to any insurance coverage, the receiver shall be named as the insured on the
4 policies for the period that the receiver shall be in possession of the property. If
5 sufficient insurance coverage does not exist, the Receiver shall immediately notify
6 the parties to this lawsuit and shall have thirty (30) calendar days to procure
7 sufficient insurance for the property; provided, however, that if the receiver does
8 not have sufficient funds to do so, the receiver shall seek instructions from the
9 Court with regard to whether insurance shall be obtained and how it is to be paid
10 for. If consistent with existing law, the receiver shall not be responsible for claims
11 arising from the lack of procurement or inability to obtain insurance;

12 19. Discharge of the receiver shall require a court order after a properly
13 noticed motion approving the receiver's final report and account and exoneration of
14 the receiver's bond;

15 20. The parties, and each of them, on receipt of this Order shall provide
16 the receiver with all tax identification numbers utilized in connection with Perfect
17 10's property. The receiver shall also be entitled to utilize the tax identification
18 numbers during his possession of Perfect 10's property. The Receiver shall not be
19 responsible for filing any federal or state tax returns on behalf of Perfect 10.

20 21. The receiver is authorized to have all mail, other deliveries, and
21 notices concerning Perfect 10's property forwarded to an address to be designated
22 by him;

23 22. IT IS FURTHER ORDERED that Perfect 10 and its respective owners,
24 officers, directors, agents, partners, property managers, employees, assignees,
25 successors, attorneys, representatives, and all persons acting under, in concert with,
26 or for them (specifically including Norman Zada, Melanie Poblete, Bruce Hersh,
27 Gwendalyn Augustine, Jennifer Snow McCall, and Sean Chumura):

1 a. Shall immediately relinquish and turn over possession of Perfect
2 10's intellectual property, including but not limited to all or their profits and
3 proceeds (including any cash) to the receiver forthwith upon his appointment
4 becoming effective;

5 b. Shall immediately turn over to the receiver and direct all other
6 third parties in possession thereof to turn over to the receiver all registrations,
7 books, records, books of account, ledgers, operating statements, budgets, bills,
8 contracts, choses in action, and all other business records relating to Perfect 10's
9 intellectual property, wherever located, and in whatever mode maintained,
10 including information contained on computers, and any and all software or
11 databases relating thereto as well as all banking records, statements and cancelled
12 checks;

13 c. Shall immediately turn over to the receiver all documents that
14 pertain to all registrations, licenses, permits, or government actions or approvals
15 relating to Perfect 10's intellectual property and shall immediately advise the
16 receiver of any social security or taxpayer identification numbers used in
17 connection with Perfect 10's intellectual property;

18 d. Shall immediately advise the receiver as to the nature and extent
19 of insurance coverage for Perfect 10's intellectual property. Perfect 10 shall
20 immediately name the receiver as an insured on the insurance policy(ies) for the
21 period that the receiver shall be in possession of Perfect 10's intellectual property.
22 Perfect 10 and its agents and representatives are prohibited from canceling,
23 reducing or modifying any and all insurance coverage currently in existence with
24 respect to Perfect 10's domain names, copyrights and/or trademarks and
25 accompanying goodwill and shall fully assist receiver in transferring said insurance
26 for the benefit of the receiver; and
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1 e. Shall cooperate with and fully assist the receiver with respect to
2 his possession and attempts to sell Perfect 10's property or interests therein,
3 including but not limited to promptly responding to any inquiry by the Receiver for
4 information;

5 23. IT IS FURTHER ORDERED that, immediately and until such further
6 Order of this Court, Perfect 10 and its agents, partners, property managers,
7 employees, assignees, successors, attorneys, representatives, and all other persons
8 acting in concert with them who have actual or constructive knowledge of this
9 Order, and their agents and employees shall not:

10 a. Commit or permit any waste on any of Perfect 10's property or
11 any part thereof, of suffer or commit or permit any act on Perfect 10's property or
12 any part thereof, or suffer or commit or permit any act on Perfect 10's property or
13 any part thereof in violation of any law, or alienate, remove, transfer, encumber or
14 otherwise dispose of any of Perfect 10's property or any part thereof;

15 b. Directly or indirectly interfere in any manner with the discharge
16 of the receiver's duties under this Order or the receiver's possession of and
17 operation and attempts to sell Perfect 10's property;

18 c. Expend, disburse, transfer, assign, sell, convey, devise, pledge,
19 mortgage, create a security interest in, encumber, conceal or in any manner
20 whatsoever deal in or dispose of the whole or any part of Perfect 10's property or
21 any of its proceeds without prior specific Order of this Court;

22 d. Withhold any of Perfect 10's property or books or records
23 regarding Perfect 10's property, or funds generated from Perfect 10's property from
24 the receiver; and

25 e. Do any act which will, or which will tend to impair, defeat,
26 divert, prevent or prejudice the preservation of Perfect 10's property, profits, or
27 proceeds;

1 24. The parties shall serve the receiver with all papers in this action and
2 shall give notice to the receiver about all proceedings;

3 25. The parties shall jointly and severally defend and indemnify and hold
4 harmless the receiver and his employees against any claims or actions, including
5 but not limited to any criminal proceedings, that result from his possession,
6 operation, and attempts to sell Perfect 10's property or interests therein as this
7 Court's receiver.

8 IT IS SO ORDERED:

9
10 DATED: February 24, 2017



The Honorable André Birotte Jr.
United States District Judge
Central District of California

FENWICK & WEST LLP
ATTORNEYS AT LAW
SAN FRANCISCO

Exhibit 2

BILL OF SALE AND ASSIGNMENT OF RECEIVERSHIP PROPERTY

The parties to this agreement are David J. Pasternak in his capacity as Receiver in *Perfect 10, Inc. v. Giganews, Inc., et al.*, case no. 11-cv-07098-AB (JPx), in the United States District Court for the Central District of California pursuant to the Order granting Judgement Creditor Giganews, Inc.'s motion to levy on the judgment debtors' intellectual property and to appoint a receiver (the "Receiver") and Giganews, Inc., a Texas Corporation ("Giganews").

For the sum of Five Hundred Thousand Dollars (\$500,000.00) consisting of (a) \$25,000 in cash, (b) the value of the loans that Giganews made to the Receiver for purposes of the Receivership in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) and (c) a credit against the judgment in *Perfect 10, Inc. v. Giganews* in the amount of Three Hundred Fifty Thousand Dollars (\$325,000.00), the receipt of which the Receiver hereby acknowledges, the Receiver does hereby sell, assign, transfer, grant, convey, and deliver to Giganews without any representations or warranties all right, title, and interest in and to all the property (including but not limited to tangible property and intellectual property and other intangible rights) that the Receiver at any time acquired, levied upon, seized, received, took possession of, or controlled in connection with *Perfect 10, Inc. v. Giganews, Inc., et al.*, case no. 11-cv-07098-AB (JPx), in the United States District Court for the Central District of California (the "Receivership Property").

The Receivership Property specifically includes the following:

1. All domain names and contracts for domain names, including registrations in any jurisdiction, now or previously owned or possessed by Perfect 10, Inc., including those on Exhibit A to this Agreement;
2. All copyrights and copyright interests, including registrations in any jurisdiction, now or previously owned or possessed by Perfect 10, including those copyrights, on Exhibit B to this Agreement;
3. All trademarks, trademark interests, associated goodwill, and trademark registrations in any jurisdiction, now or previously owned or possessed by Perfect 10, including those on Exhibit C to this Agreement;
4. All publicity rights now or previously owned or possessed by Perfect 10, including publicity rights relating to those persons identified by their natural or stage/fictitious names in Exhibit D to this Agreement;
5. All websites and associated scripts, files, and databases;
6. All royalties, rents, issues, profits, income, damages and settlements resulting from or generated by the Receivership Property and any lawsuits or other legal actions pertaining thereto, including but not limited to the Receivership Property identified above, after the date of transfer of the Receivership Property hereunder;
7. All contracts the Receiver entered into for the preservation of the Receivership Property;

8. All suits the Receiver instituted or prosecuted concerning the Receivership Property;
9. All licenses or permits in connection with the Receivership Property;
10. All insurance policies in connection with the Receivership Property;
11. All registrations, books, records, books of account, ledgers, operating statements, budgets, bills, contracts, choses in action, and all other business records relating to the Receivership Property, wherever located, and in whatever mode maintained, including information contained on computers, and any and all software or databases relating thereto as well as all banking records, statements and cancelled checks of Perfect 10;
12. All documents that pertain to all registrations, licenses, permits, or government actions or approvals relating to the Receivership Property;
13. All other documents, records, and tangible things constituting, embodying or evidencing the Receivership Property, including but not limited to items identified in the Receiver's inventory in Exhibit E to this Agreement;
14. All records of the Receivership necessary to perfect, document, or evidence the transfer of the Receivership Property to Giganews or the chain of title of the Receivership Property to the Receiver;
15. All funds and other assets in the Receivership after payment of court-approved expenses of the Receiver.

The Receiver agrees and promises to make all tangible Receivership Property available to Giganews or its representative between 14 and 30 days after the effective date of this agreement.

Giganews shall not, by virtue of this Bill of Sale and Assignment of Receivership Property or otherwise, assume any obligations, liabilities or debts of Perfect 10, whether arising out of or related to the Receivership Property.

The Receiver agrees and promises to execute any further documents as Giganews, its representative, or any successor reasonably requests to effectuate, perfect or record the transfers in any jurisdiction.

The execution and delivery of this Bill of Sale and Assignment of Receivership Property shall not be deemed to confer any rights upon any person or entity other than the parties hereto, or make any person or entity a third party beneficiary of this Bill of Sale and Assignment of Receivership, or to obligate the parties to any person or entity other than the parties hereto.

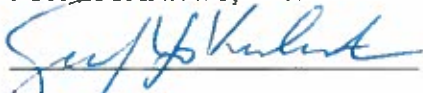
This agreement is effective upon the issuance of an Order by the Court approving and confirming this agreement, subject to overbidding at the hearing with a minimum overbid of \$550,000.

Executed by:

FOR THE RECEIVER:

David J. Pasternak, Receiver

FOR GIGANEWS, INC.

A handwritten signature in blue ink, appearing to read "Sunday Yokubaitis", is written over a horizontal line.

Sunday Yokubaitis, General Counsel

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

At the time of service, I was over 18 years of age and **not a party to this action**. I am employed in the County of Los Angeles, State of California. My business address is 1875 Century Park East, Suite 2200, Los Angeles, CA 90067-2523.

On January 31, 2019, I served true copies of the following document(s) described as

(1) [PROPOSED] ORDER APPROVING AND CONFIRMING SALE OF INTELLECTUAL PROPERTY;

(2) [ALTERNATIVE PROPOSED] ORDER APPROVING AND CONFIRMING SALE OF INTELLECTUAL PROPERTY

(3) NOTICE OF HEARING OF MOTION AND RECEIVER'S MOTION FOR ISSUANCE OF ORDER APPROVING AND CONFIRMING SALE OF INTELLECTUAL PROPERTY; DECLARATION OF DAVID J. PASTERNAK; MEMORANDUM OF POINTS AND AUTHORITIES on the interested parties in this action as follows:
See Attached Service List


➔ **BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the service list. The envelope or package was mailed with postage thereon fully prepaid. I am "readily familiar" this firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service on the same day in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 day after date of deposit for mailing in affidavit.

➔ **BY E-MAIL OR ELECTRONIC TRANSMISSION:** I caused the document(s) to be sent from e-mail address @paslaw.com to the persons at the e-mail addresses listed in the Service List. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

➔ **BY CM/ECF NOTICE OF ELECTRONIC FILING:** I electronically filed the document(s) with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in the case who are not registered CM/ECF users will be served by mail or by other means permitted by the court rules.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 31, 2019, at Los Angeles, California.


C. German

**United States District Court for the Central District Of California
(Western Division - Los Angeles)
Civil Docket For Case No.: 2:11-cv-07098-AB-(JPRx)**

Service List

Lynell D. Davis, Esq. *Counsel for Debtor, Norman Zada*
Perfect 10, Inc.
11803 Norfield Court
Los Angeles, CA 90077
Telephone: 310.476.0700
Facsimile: 310.476.8138
E-Mail: lynellDDavisesq@gmail.com

Eric J. Benink, Esq. *Counsel for Perfect 10, Inc.*
Krause Kalfayan Benink and Slavens LLP
550 West C Street, Suite 530
San Diego, CA 92101
Telephone: 619.232.0331
Facsimile: 619.232.4019
E-Mail: eric@kkbs-law.com

Matthew C. Mickelson, Esq. *Counsel for Perfect 10, Inc.*
Law Offices of Matthew C. Mickelson
16055 Ventura Boulevard, Suite 1230
Encino, CA 91436
Telephone: 818.832.3360
Facsimile: 818.382.3364
E-Mail: mattmickelson@bizla.rr.com

David N. Schultz, Esq. *Counsel for Perfect 10, Inc.*
1747 Preuss Road
Los Angeles, CA 90035
Telephone: 310.839.3150
E-Mail: schu1984@yahoo.com

Jonathan L. Abrams, Esq. *Counsel for Defendant Giganews, Inc.*
Anthony K. Brown, Esq.
Abrams Brown LLP
2601 Ocean Park Boulevard, Suite 310
Santa Monica, CA 90405-5270
Telephone: 310.3145.8801
Facsimile: 310.496.0250
E-Mail: jabrams@abramsbrown.com
E-Mail: tbrown@abramsbrown.com

1 Andrew P. Bridges, Esq.
Jedediah Wakefield, Esq.
2 Todd R. Gregorian, Esq.
3 Liwen A. Mah, Esq.
Fenwick & West LLP
4 555 California Street, 12th Floor
San Francisco, CA 94104
5 Telephone: 415.875.2300
Facsimile: 415.281.1350
6 E-Mail: abridges@fenwick.com
7 E-Mail: jwakefield@fenwick.com
E-Mail: tgregorian@fenwick.com
8 E-Mail: imah@fenwick.com

Counsel for Defendant Giganews, Inc.

9 Annasara G. Purcell, Esq.
Armen N. Nercessian, Esq.
10 Joseph S. Belichick, Esq.
Fenwick & West LLP
11 801 California Street
Mountain View, CA 94041
12 Telephone: 650.988.8500
Facsimile: 650.988.5200
13 E-Mail: apurcell@fenwick.com
14 E-Mail: anercessian@fenwick.com
E-Mail: irubel@fenwick.com
15 E-Mail: jbelichick@fenwick.com

Counsel for Defendant Giganews, Inc.

16 Ronald P. Slates, Esq.
17 Law Offices of Ronald P. Slates PC
500 South Grand Avenue, Suite 2010
18 Los Angeles, California 90071
19 Telephone: (213) 624-1515
Facsimile: 213.624.7536
20 E-Mail: rslates2@rslateslaw.com
E-Mail: jkluewer@rslateslaw.com

Counsel for Defendant Livewire Services, Inc.

21 Steven W. Yuen, Esq.
22 Heath & Yuen, APC
23 268 Bush Street, Suite 3006
San Francisco, CA 94104
24 Telephone: 415.622.7004
Facsimile: 415.373.3957
25 E-Mail: syuen@heathandyuen.com

Counsel for Objector John Doe 4352658

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